



# Comptroller Mychajliw Reports November 2012 Sales Tax Revenue

*A cause for concern is Erie County's reliance on volatile sales tax revenue as its largest cash source*

(Buffalo) – Erie County Comptroller Stefan I. Mychajliw is reporting November 2012 sales tax revenue for Erie County to be \$42,203,079, approximately \$258,618 higher than the November 2011 sales tax revenue of \$41,944,461. This figure represents a 0.62% monthly growth for November 2012 compared to November 2011.

Year to Date (YTD) sales tax growth through November of 2012, is 2.52%. The 2012 Budget projected a 2.51% growth rate.

"Ideally we would have liked sales tax revenue to exceed budget projections," said Erie County Comptroller Stefan Mychajliw. "However, it is a positive indicator that there is sales tax growth, and that we are on par with budget projections."

"Unfortunately, Wall Street does not look favorably on a county that relies so heavily on sometimes shaky sales tax revenues. If sales tax revenues ever tank in this troubling and unstable economy, Erie County can be in serious trouble. Wall Street ratings agencies prefer counties to rely mostly on steady property tax revenues, rather unpredictable sales tax revenues," added Comptroller Mychajliw.

A report from "Fitch Ratings" shows their deep concern that Erie County relies so heavily on sales tax revenue:

*"Concern is heightened given the county's reliance upon **volatile sales tax revenues** and state and federal aid. Fitch's concerns regarding the county's high fixed costs and marginal liquidity are magnified given the county's reliance upon federal and state assistance, which are likely to experience future cuts, and **economically sensitive sales tax revenues**."*

*Source: "Fitch Affirms Erie County, New York's GOs at 'A': Outlook Stable, Reuters.com, February 27<sup>th</sup>, 2012*

November 2012 Sales Tax Revenue: \$42,203,079  
November 2011 Sales Tax Revenue: \$41,944,461  
Difference: \$258,618

Year to Date sales tax growth through November 2012: 2.52%  
Projected sales tax growth in the 2012 Budget: 2.51%

"The concern is that sales tax revenue did not exceed budget projections. Because of the serious cash crunch Erie County faced on the first day of the year, higher than projected sales tax revenues could have given the budget an extra cash cushion. That did not happen. The good news is that it appears as though Erie County will meet the sales tax growth as projected in the 2012 budget," said Comptroller Mychajliw.

###

[www.erie.gov/comptroller](http://www.erie.gov/comptroller)